

Responses to Inquiries
RFP 08-01
Core Plus Fixed Income Manager(s)

1. Would our firm be considered a taxable entity in Indiana based on the requirement to register as an out-of-state corporation with the Indiana Secretary of State and the Indiana Department of Revenue?
 - That would be a question for your tax advisor.
2. Regarding MWBEs, does this issue apply to managers or to contracts that managers have with other organizations?
 - It would apply to the vendors and sub-contractors, if any, with whom you transact business.
3. Is the Core Plus Mandate a new allocation for Indiana PERF?
 - Indiana PERF currently has an allocation to core plus fixed income; however, the RFP is for a mandate which further emphasizes the "plus" sectors.
4. Where will the assets be coming from (i.e. existing fixed income managers, equities)?
 - Not yet determined.
5. Will you provide sample investment guidelines for the strategy? Will you impose any limitations on security types (i.e. bank loans, emerging debt, non-dollar bonds, and high yield)?
 - Limitations on security types may be imposed as part of the final investment guidelines. However, we would like for each respondent to provide us with their best core plus product, in terms of historical performance and information ratio, regardless of the securities being used in their strategy.
6. What will be your benchmark?
 - Not yet determined.
7. Should recommended amendments be submitted in the form of a memo instead of a contract (i.e. information outlined in 4.3.5 Respondent Contract Requirements)?
 - A typical format would be to submit the original clause and then below that any changes, followed by any discussion.
8. If the investment manager is meeting participation in the MWBE program by using vendors that supply products and services directly to the manager, do they still need to sign a letter of commitment, or is the letter of commitment for Investment Advisor subcontractors?
 - If you are claiming MWBE participation, then the commitment form would need to be completed in either case.
9. Regarding Section 4.3.5 Respondent Contract Requirements (Exhibit B, IMA). Would it be possible to get Exhibit B in a Microsoft Word document format (rather than pdf) to enable us to indicate any proposed changes which will be explained in section 4.3.5 of the Business Proposal, via Word's "red-lining" edition function?
 - Yes.

10. Regarding the Indiana Economic Impact Statement and the Taxpayer Identification Number Request: Are these items required to be submitted by all RFP respondents by the February 29th deadline; or, are these documents required to be completed only by the winning respondent/s in advance of contract execution?
 - Please complete both with the response.
11. Regarding your Sudan investment restrictions, does this apply to separate accounts only? Are commingled pools exempt?
 - Yes, it applies to separate accounts only, therefore commingled pools would be exempt.
12. Exhibit D, Mandatory Minimum Qualifications, Number 3: If our 5 and 7 year numbers meet both the performance and the information ratio requirement, but the 3 year number for both does not, can we still be considered? "Preferred firms" were stated in the paragraph which led us to believe there may be some leeway on the requirement.
 - Yes, responses that meet a majority of the preferred requirements will be considered.
13. Do you have a preference on how you would like us to structure the RFP and Exhibits? Should we include the Exhibits in the body of the RFP, or should we keep them separate? Specifically, the requirements noted for the Business Proposal make reference to some of the Exhibits. Do you want us to refer back to these Exhibits for our response or include them after each item?
 - No preference.
14. Can a Microsoft Word version of the RFP be provided, either on the website or as an attachment to the Q & A?
 - Yes.
15. Exhibit A states that the mandate will require a Sudan compliance screen, provided by Indiana PERF, under a separate account structure. Can you provide us with a list or copy of what will be included in this screen?
 - We are unable to provide the specific list being used for the PERF Sudan compliance screen; however, a comparable list can be obtained from the Sudan Divestment Task Force. This group can be contacted at the following e-mail address: info@sudandivestment.org.
16. We have a federal taxpayer identification number. Do we need to complete the Taxpayer Identification Number Request form? If so, what tax ID number are you looking for us to provide? For our Corp's EIN, would you like us to provide our Federal Tax ID #, or another number? Are you looking for a number for Indiana that we would have obtained if we were registered to do business there?
 - Please complete the Taxpayer Identification Number Request. The corporations Employer Identification Number (EIN), Federal Employer Identification Number (FEIN), and Taxpayer Identification Number (TIN) are the same for corporations.
17. Our corporation is registered in the State of Delaware. Do we need to complete the Application for a Foreign Corporation?
 - Yes, since a Delaware Corporation is a foreign corporation to Indiana. Completion of the form is not a prerequisite to providing a response, but would be necessary prior to executing a contract for corporations.

18. Does the RFP encompass Fixed Income managers in both the Hedge Fund and Long-Only space? I am curious what type of structure the fund is looking to invest in, and going in this direction, is there a need for daily liquidity or would the less liquid nature apply to this RFP?
- This RFP is not a search for a Fixed Income hedge fund manager; however, it is not specifically for a long-only manager either. Although current guidelines prohibit the use of shorting, we will accept responses from managers who utilize shorting as part of their core plus strategy. We request that all respondents include, as part of their Business Proposal, a full description of their use of shorting and derivatives. (see section 4.3.1).
19. Frequent assets in core plus portfolios are interest rate and credit swaps. Often governmental entities have prohibitions on the inclusion of derivatives securities in portfolios. Does PERF consider swaps derivative securities? Could you provide me some guidance on PERF's position on derivatives and what you consider a derivative?
- Yes, we consider swaps to be derivative securities. Our current core plus guidelines prohibit the use of derivatives. However, we would like each respondent to present their best core plus product, irrespective of the use of derivatives. Core plus guidelines may potentially be changed to include the use of derivatives.

Please also note that PERF has requested each respondent to provide a full description of their use of derivatives and shorting in their fixed income process. This should be included in the respondent's business proposal as outlined in section 4.3 of the RFP.